

NOTE 25 – SUBSEQUENT EVENTS

A. Long-Term Borrowing

In October 2005, the State paid off \$13 million of its Multi-Modal General Obligation Taxable School Loan Bonds, Series 2005B.

In December 2005, the State issued its State of Michigan General Obligation Bonds, Great Lakes Water Quality Bonds, 2003 Strategic Water Quality Initiative Fund Series (Federally Taxable) in the aggregated amount of \$4 million. The bonds have an interest rate of 5% and will mature on October 20, 2006.

In October 2005, the State Building Authority (SBA) issued its 2005 Revenue and Revenue Refunding Series II Bonds for \$242.8 million. This bond issue provided funds for SBA to repay the Department of Treasury for the purchase of Constitution Hall and refunded SBA's 2000 Series I Bonds.

In December 2005, SBA issued its 2005 Multi-Modal Revenue Series II A Bonds for \$343.6 million. The bonds are issued as variable rate debt. This issue will refund SBA's commercial paper program for several completed facilities. Commercial paper outstanding after the issuance of the bonds will be approximately \$17.5 million.

B. Short-Term Borrowing

In November 2005, the State issued its State of Michigan Full Faith and Credit General Obligation Notes in the amount of \$1.3 billion. The notes will mature on September 29, 2006, with an interest rate of 4.5%.

C. Investments

In November 2005, the Michigan State Housing Development Authority (MSHDA) renegotiated its investment in the Michigan Broadband Development Authority (MBDA). As a result, MSHDA will realize a loss on its investment. It is the belief of MSHDA that this write-off will not have a negative material impact on its ability to meet its financial obligations. The renegotiation resulted in a new principal amount of \$35.5 million. MBDA proposes to use the investment for the purpose of making loans and paying operating expenses. The bond matures on December 1, 2015.

D. Long-Term Borrowing - Discretely Presented Component Units

Subsequent to their respective year-ends, the following discretely presented component units issued bonds and/or entered into swap agreements (in millions):

	Bonds Issued	Swap Agreements
Michigan Higher Education Facilities Authority	\$ 6.5	\$ -
Michigan Higher Education Student Loan Authority	41.1	-
Michigan Public Educational Facilities Authority	3.8	-
Michigan State Hospital Finance Authority	232.6	-
Michigan State Housing Development Authority	193.4	-
Ferris State University	21.2	-
Grand Valley State University	-	15.0
Total	<u>\$ 498.5</u>	<u>\$ 15.0</u>

Disclosures regarding these bonds and transactions are available in the separately issued reports of the various organizations.